

Tuesday, May 25, 2004

The Board met at its offices at 450 N Street, Sacramento, at 9:50 a.m., with Ms. Migden, Chairwoman, Mr. Parrish, Vice Chairman, Mr. Leonard, Mr. Chiang and Mr. Westly present.

BOARD PHOTOGRAPH

The annual Board photograph was taken of Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly.

PROPERTY TAX MATTER

VALUATION OF STATE ASSESSED PROPERTIES AS OF JANUARY 1, 2004

Stanley Siu, Acting Chief, Valuation Division, Property and Special Taxes Department, made introductory remarks regarding the valuation of state assessed properties.

Electric Generation Facilities

Action: Upon motion of Mr. Parrish, seconded by Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

1104	Duke Energy Morro Bay LLC	68,000,000
1105	Duke Energy Oakland LLC	6,650,000
1106	Cabrillo Power I, LLC	234,500,000
1107	Cabrillo Power II LLC	21,800,000
1108	Mirant Potrero, LLC	63,800,000
1110	El Segundo Power LLC	142,800,000
1111	Long Beach Generation LLC	26,600,000
1113	Reliant Energy Coolwater, Inc.	35,400,000
1114	Reliant Energy Mandalay, Inc.	51,500,000
1115	Reliant Energy Ormond Beach	165,000,000
1116	Reliant Energy Etiwanda, Inc.	33,700,000
1117	Reliant Energy Ellwood, Inc.	4,470,000
1118	Duke Energy South Bay LLP	72,800,000
1122	GWF Energy, LLC	281,300,000
1126	Elk Hills Power, LLC	335,200,000
1127	High Desert Power Trust 200-A	489,000,000
1128	Delta Energy Center, LLC	509,700,000
1129	Gilroy Energy Center, LLC	104,600,000
1131	Pastoria Energy Facility, LLC	432,500,000
1132	Calpine Construction Finance Company LP	304,500,000
1133	Metcalf Energy Center	173,400,000
1134	Otay Mesa Generating Company, LLC	132,900,000
1136	Blythe Energy , LLC	291,600,000
1137	Sunrise Power Company, LLC	375,100,000
1141	Indigo Generation, LLC	90,100,000

Tuesday, May 25, 2004

1142	Larkspur Energy LLC	66,100,000
1143	Los Esteros Critical Energy Facility, LLC	169,300,000
1145	Harbor Cogeneration Company.	7,190,000
1146	AES Placerita, Inc.	12,700,000

AES Alamitos LLC (1100)

Action: Mr. Parrish moved that the market value to be used in the assessment of unitary property be \$305,360,000. The motion failed for lack of a second.

Upon motion of Mr. Chiang, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish abstaining, the Board ordered that the market value to be used in the assessment of unitary property be \$292,200,000 as of January 1, 2004.

AES Redondo Beach LLC (1101)

Action: Mr. Parrish moved that the market value to be used in the assessment of unitary property be \$203,860,000. The motion was seconded by Mr. Chiang but failed to carry, Mr. Parrish voting yes, Ms. Migden, Mr. Leonard, Mr. Chiang and Mr. Westly voting no.

Upon motion of Ms. Migden, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish abstaining, the Board ordered that the market value to be used in the assessment of unitary property be \$196,000,000 as of January 1, 2004.

AES Huntington Beach LLC (1102)

Action: Mr. Parrish moved that the market value to be used in the assessment of unitary property be \$100,260,000. The motion failed for lack of a second.

Upon motion of Ms. Migden, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish abstaining, the Board ordered that the market value to be used in the assessment of unitary property be \$98,400,000 as of January 1, 2004.

Action: Upon motion of Ms. Migden, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

1103	Duke Energy Moss Landing LLC	762,000,000
1109	Mirant Delta, LLC	292,600,000
1112	La Paloma Generating Trust, Ltd.	548,400,000
1119	Mountainview Power Company	90,300,000

Energy Companies

Action: Upon motion of Mr. Chiang, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

Tuesday, May 25, 2004

101	Southern California Water Company	387,700,000
103	Anza Electric Cooperative, Inc.	13,900,000
106	PacifiCorp	155,100,000
141	San Diego Gas & Electric Company	3,052,400,000
146	Sierra Pacific Power Company	181,200,000
149	Southern California Gas Company	2,712,600,000
160	Valley Electric Association, Inc.	43,700
173	Surprise Valley Electrification Corp.	13,300,000
176	Plumas-Sierra Rural Electric Cooperative	32,000,000
180	North Baja Pipeline, LLC	75,700,000
184	Avista Corporation	10,300,000
185	Mountain Utilities	4,660,000
187	Mojave Pipeline Company	86,500,000
188	Kern River Gas Transmission Company	455,200,000
189	Standard Pacific Gas Line, Inc.	20,100,000
190	Tuscarora Gas Transmission Company	81,600,000
191	Arizona Public Service Company	2,930,000
192	Alpine Natural Gas Operating Company No. One LLC	2,250,000
193	Southwest Transmission Cooperative, Inc.	153,000
194	West Coast Gas Company, Inc.	1,190,000
195	Wild Goose Storage, Inc.	112,500,000
196	Questar Southern Trails Pipeline Company	32,300,000
197	El Paso Natural Gas Company	53,200,000
198	Lodi Gas Storage, LLC	117,040,000

Action: Upon motion of Mr. Chiang, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

135	Pacific Gas & Electric Company	14,271,900,000
148	Southern California Edison Company	9,698,800,000
152	Southwest Gas Corporation	140,100,000
153	Transwestern Pipeline Company	645,000

Intercounty Pipeline Companies

Action: Upon motion of Ms. Migden, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

400	Standard Gas Company	260,000
402	CALNEV Pipe Line LLC	70,900,000
406	Calpine Pittsburg, Inc.	12,300,000
407	Valero Refining Company - California	1,090,000

Tuesday, May 25, 2004

409	West Coast Pipe Lines	148,800,000
410	Homestake Mining Company of California	459,800
428	CPN Pipeline Company	21,200,000
429	Chevron U.S.A., Inc.	31,020,000
432	Equilon Enterprises, LLC.	151,600,000
435	Natomas Central Mutual Water Company	131,000
462	ARCO Midcon LLC	1,180,000
464	Ventura Pipeline System	6,770,000
467	Tosco Corporation	799,000
468	Shell California Pipeline Company L.P.	34,500,000
469	San Ardo Pipeline Company	12,300,000
475	IMC Chemicals, Inc.	1,450,000
476	Chevron USA, Inc.	6,230,000
477	Union Island Pipeline Company	8,570,000
478	California Gas Gathering, Inc.	121,000
480	UNOCAP	50,600,000
483	Mobil Pacific Pipeline Company	1,890,000
484	Calpine Pipeline Corporation	7,180,000
486	Pacific Pipeline System, LLC	191,500,000

Kings County Canal Company (412)

Action: Mr. Parrish moved to abate the penalty. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Ms. Migden, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$711,700 as of January 1, 2004.

Action: Upon motion of Mr. Chiang, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

461	SFPP, L.P.	331,700,000
465	All American Pipeline, L.P.	64,400,000
479	Chevron Pipeline Company	33,220,000
488	Pacific Terminal LLC	40,100,000

Railroad Companies

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

Tuesday, May 25, 2004

800	Alameda Belt Line	302,000
801	Amador Central Railroad	166,000
802	Central Oregon & Pacific Railroad	6,250,000
804	Burlington Northern & Santa Fe Railway Co.	571,300,000
808	West Isle Line, Inc.	154,000
810	ParkSierra Corporation dba California Northern Railroad	12,400,000
812	Ventura County Railroad	2,740,000
813	Pacific Harbor Lines	7,290,000
817	Tulare Valley Railroad	269,000
818	Central California Traction Company	5,520,000
834	Lake County Railroad	374,000
839	Oakland Terminal Railway Company	117,000
843	Union Pacific Railroad Company	1,049,900,000
850	Modesto & Empire Traction Company	20,300,000
857	Richmond Pacific Railroad Corporation	461,000
865	San Diego & Imperial Valley Railroad Co. Inc.	3,990,000
869	Santa Maria Valley Railroad Company	1,700,000
878	Stockton Terminal and Eastern Railroad	6,500,000
882	Trona Railway Co.	14,500,000
883	McCloud Railway Company	1,710,000
889	Yreka Western Railroad Co.	465,000
892	Almanor Railroad Company	269,000
894	Napa Valley Wine Train, Inc.	15,300,000
896	Santa Cruz Big Trees & Pacific Railway Co.	1,970,000
897	San Joaquin Valley Railroad Company	7,600,000
898	Sierra Northern Railway	1,160,000
899	ParkSierra Corporation dba Arizona & California Railroad	7,720,000

California Western Railroad, Inc. (815)

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property be \$1,760,000 as of January 1, 2004.

Radio Telephone and Paging Companies

Action: Upon motion of Ms. Migden, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

3005	Mobilephone of Humboldt, Inc.	166,000
3039	Fresno Mobile Radio, Inc.	611,000
3052	Vincent Communications, Inc.	40,700
3362	Madera Radio Dispatch, Inc.	421,000
3369	Cal-Autofone	438,900

Tuesday, May 25, 2004

3374	Radio Electronics Products Corp.	135,300
3430	Metrocall, Inc.	4,050,000
3432	Point BTA 79 LLC	41,700
3433	Point BTA 371 LLC	43,600

Action: Upon motion of Mr. Chiang, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

3348	Donald G. Pollard	6,500
3360	Sylvan B. Malis	58,500
3427	Access Paging Company, Inc.	70,070

High Sierra Mobilfone (3342)

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property be \$275,000 as of January 1, 2004.

Interexchange Telephone Companies

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

2014	Sprint Communications Co., L. P.	676,200,000
2035	Cable & Wireless USA, Inc.	8,500,000
2038	Verizon Airfone Inc.	1,800,000
2043	Pac-West Telecom, Inc.	83,300,000
2054	Spacenet, Inc.	434,000
2063	Extelcom, Inc.	1,680,000
2096	GTE Railfone/Amtrak Venture	1,600
2099	Smart City Networks LP	856,000
2207	Global Crossing Telecommunications, Inc.	22,300,000
2274	MCIWorldCom Network Services, Inc.	877,700,000
2275	SES Americom, Inc.	421,000
2310	AT&T Communications, Inc.	980,100,000
2322	WorldCom International Data Services, Inc.	13,800,000
2329	Intellicall Operator Services, Inc.	86,680
2366	Value-Added Communications, Inc.	134,000
2368	Globe Wireless, LLC	1,620,000
2372	MCIMetro Access Transmission Services, LLC	428,300,000
2376	Working Assets Funding Service, Inc.	692,000
2391	Arrival Communications, Inc.	4,140,000

Tuesday, May 25, 2004

2416	NOS Communications, Inc.	1,250,000
2430	Electric Lightwave, Inc.	34,700,000
2437	Dialink Corporation	27,800
2443	National Comtel Network Inc.	44,200
2462	ICG Telecom Group, Inc.	31,800,000
2463	Qwest Communications Corporation	85,100,000
2475	VarTec Telecom, Inc.	3,160,000
7503	Verizon Select Services, Inc.	7,170,000
7507	T-NETIX, Inc.	757,000
7512	Frontier Communications Company of America, Inc.	4,280,000
7517	Vycera Communications, Inc.	972,000
7522	Time Warner Telecom of California, L.P.	238,900,000
7528	NetSolve Incorporated	8,140
7536	Global Crossing North American Networks, Inc.	17,700,000
7538	Tremcom International, Inc.	214,500
7544	Telswitch, Inc.	40,900
7553	Comcast Phone of California, LLC	74,300,000
7560	XO Communications, Inc.	49,900,000
7571	Network Enhanced Technologies, Inc.	1,290,000
7577	Qwest Interprise America, Inc.	568,000
7580	Evercom Systems, Inc.	144,000
7581	ABS-CBN Telecom North America, Inc.	438,000
7588	PNG Telecommunications, Inc.	26,840
7621	SES Americom California, Inc.	10,400,000
7625	TCAST Communications, Inc.	1,920,000
7636	Network Telephone Service, Inc.	4,670,000
7638	Integrated Telemanagement Services, Inc.	22,500
7640	Cox California Telcom, L.L.C.	124,800,000
7642	Time Warner Cable, Inc.	111,000
7677	Talk America, Inc.	931,000
7686	Primus Telecommunications, Inc.	631,000
7690	California Catalog & Technology (CCT)	18,100
7703	Transcommunications, Inc.	79,860
7705	Sierra Telephone Long Distance	65,000
7706	Covad Communications Company	75,020,000
7707	SureWest Long Distance	8,800
7708	San Diego Telecomm, Inc..	23,870
7712	Dancris Telecom, LLC	1,042,800
7715	Teligent Services, Inc.	13,100
7723	Opentel Communications, Inc.	295,000
7724	Mpower Communications Corporation	14,600,000
7727	Sprint Services, Inc.	15,900,000
7729	New Global Telecom, Inc.	1,750,000
7732	NTT America, Inc.	10,700,000
7735	Pacific Centrex Services, Inc.	71,830

Tuesday, May 25, 2004

7740	TRI-M Communications, Inc.	2,620,000
7742	Allegiance Telecom of California, Inc.	92,300,000
7747	TGEC Communications, Co., LLC	166,000
7751	Star Telecom Network, Inc	388,300
7754	World Network Communications, Inc.	2,090
7756	Centergistic Solutions	171,600
7757	U.S. TelePacific Corp	46,300,000
7758	BT Americas Inc.	10,956,000
7759	Focal Communications Corporation of California	14,500,000
7761	Level 3 Communications, LLC	337,600,000
7762	Telco Network Service, Inc.	3,860,000
7764	Diamond Link, Inc.	776,000
7766	KDDI America, Inc.	6,640,000
7769	Airnex Communications, Inc.	349,000
7775	RCN Telecom Services of California, Inc.	37,700,000
7776	SmartStop, Inc.	126,000
7777	Micro General Services, Inc.	191,000
7778	HighSpeed Communications of CA, LLC	445,500
7779	360 Networks (USA) inc.	14,300,000
7785	McLeodUSA Telecommunications Services, Inc.	123,000
7790	NTC Network, LLC	36,400
7791	O1 Communications, Inc.	3,250,000
7796	Samsung SDS America, Inc.	827,000
7798	United States Advanced Network, Inc	1,463,000
7799	Wilshire Connection, LLC	1,580,000
7800	New Edge Network, Inc.	5,555,000
7802	Network Enhanced Telecom, LLC	1,166,000
7811	Public Communications Services, Inc.	1,410,000
7812	True America Communications, Inc.	244,200
7813	Advanced TelCom Inc.	1,155,000
7814	PaeTec Communications, Inc.	6,200,000
7815	GTC Telecom Corp.	326,000
7819	WilTel Communications, Inc.	191,200,000
7823	U.S. Telstar Communications Group	3,000
7824	Kertel Communications, Inc.	414,000
7837	AboveNet Communications, Inc.	39,000,000
7845	San Carlos Telecom, Inc.	71,170
7846	The Telephone Connection Local Services, LLC	7,800
7850	Sempra Communications	44,000
7855	Enhanced Global Convergence Services, Inc.	1,940,000
7859	EAS Communication, Inc.	285,000
7861	Looking Glass Networks, Inc.	22,600,000
7862	BigZoo.Com Corporation	1,254,000
7866	Telmex USA, LLC	919,000
7867	The Telephone Connection IXC Services, Inc.	21,200

Tuesday, May 25, 2004

7868	Fones 4 All Corporation	29,260
7869	Verizon Advanced Data, Inc.	59,500
7870	Communications Express, Inc.	24,700
7871	GTE.NET LLC dba Verizon Internet Solutions	936,000
7874	Competitive Communications, Inc.	439,000
7876	Total Call International, Inc.	1,683,000
7877	Touch America, Inc.	2,816,000
7880	Quick-Tel, Inc.	5,300
7885	SBC ASI /SBC ASI P&L LP	516,600,000
7886	Tele Direct Telecommunications Group, LLC	348,000
7890	Wholesale Air-Time, Inc.	221,000
7892	OnFiber Communications, Inc.	19,800,000
7893	GoBeam Services, Inc.	1,360,000
7894	Ponderosa Cablevision	831,000
7897	Ideas-for-Business	6,710
7898	United States Telesis, Inc.	2,600
7899	RGT Utilities of California, Inc.	106,000
7902	Zone Telecom, Inc.	1,020,000
7904	MercedNet, Inc.	2,990,000
7905	KMC Millennium, LLC	11,100,000
7906	netGuru, Inc.	376,200
7907	Telscape Communications, Inc.	8,920,000
7908	Priocom Corporation	57,700
7910	Altrio Communications, Inc.	6,138,000
7911	WTI Systems & Services, Inc.	146,000
7912	Americom Government Services, Inc.	448,000
7913	VCOM Solutions, Inc.	32,800
7914	McLeodUSA Network Services, Inc.	4,050,000
7916	Peak Communications, Inc.	4,400
7917	APEX Telecom, Inc.	101,000
7919	Verizon Avenue Corp.	2,420,000
7924	BAK Communications, LLC	2,160,000
7926	DSL Net Communications, LLC	134,000
7927	Dial Thru International Corporation	474,000
7931	Universal Access, Inc.	784,000
7934	Telecom House Inc.	83,300
7938	McBlue Telecom, Inc.	69,800
7939	Samsung Networks America, Inc.	13,900
7943	Veracom Networks, Inc.	1,400
7944	Volonet Technologies, Inc.	782,000
7945	ZTG, Inc.	52,700
7946	Netifice Communications, Inc.	573,000
7947	IDT/Winstar Communications, LLC	659,000

Tuesday, May 25, 2004

7948	Telenor Satellite Services, Inc.	13,000,000
7949	Anew Telecommunications Corporation dba Call America	36,410
7950	ATMC, Inc.	12,430
7951	Southwestern Bell Communications Services, Inc.	29,000,000
7953	Openpop.com, Inc.	344,000
7954	Xspedius Management Co. Switched Services, LLC	28,700
7955	Enhanced Communication Network, Inc.	283,000
7956	Telespan Communications, LLC	97,600
7957	C.F.Communications, LLC	17,000
7958	KDI Distribution, Inc.	75,900
7959	Airespring, Inc.	42,800
7961	SureWest Televideo dba SureWest Broadband	64,400,000
7962	KMC Funding Corporation	20,400,000
7963	KMC Telecom XI, LLC	635,000
7964	Aries Network, Inc. dba: Aries Telecommunications	77,110
7965	VizAbility Communications, Inc.	7,150
7969	Intelsat Global Service Corporation	14,800,000
7971	Calpoint (California) ,LLC	316,000
7973	Alliance Payphone, Inc.	125,400
7974	Aleron Broadband Service, LLC	295,900

Ton Services, Inc. (7782)

Action: Mr. Parrish moved to abate the penalty in the assessment of unitary property. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Mr. Westly, seconded by Ms. Migden and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$140,800 as of January 1, 2004.

Nosc Corporation (7808)

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and duly carried, Mr. Parrish, Mr. Leonard and Mr. Chiang voting yes, Ms. Migden and Mr. Westly voting no, the Board ordered that the penalty be abated and that the market value to be used in the assessment of unitary property be \$1,500 as of January 1, 2004.

Infotech Telecommunications & Network, Inc. (7872)

Action: Mr. Parrish moved to abate the penalty in the assessment of unitary property. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Ms. Migden, seconded by Mr. Westly and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$16,170 as of January 1, 2004.

Tuesday, May 25, 2004

Action: Upon motion of Ms. Migden, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Chiang, Mr. Leonard and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

7610	QAI, Inc.	110,000
7630	CIII Communications Operations, LLC	9,320,000
7632	Business Discount Plan, Inc.	270,600
7645	Communications Brokers & Consultants	9,570
7699	Legacy Long Distance International	451,000
7711	FTS Communications, Inc.	10,670
7755	Real Navigation Systems Corporation dba Real Telephone Co.	3,300
7760	Teleglobe America, Inc.	1,640,000
7772	QuantumShift Communications, Inc.	216,700
7792	Point to Point, Inc.	295,900
7826	Bitro Telecommunications, Inc.	626,000
7834	Pannon Telecom, Inc.	242,000
7836	Telecenter, Inc.	154,000
7843	Telemanagement Services, Inc.	2,640
7852	Telstra Incorporated	3,200
7853	iTELCO Communications, Inc.	38,280
7875	AllCom USA	43,010
7878	Novacom Global, Inc.	99,660
7925	United Communications HUB, Inc.	122,100
7933	Acceris Communications Solutions	5,410,000
7941	Netarena Communications Corporation	8,140
7960	CallTower, Inc.	495,000
7966	Direct One, LLC	50,160
7972	Yipes Enterprises Services, Inc.	9,757,000
7975	American International Marketing	23,200
7976	Local Fiber LLC	1,460,000
7978	Legent Communications Corporation	56,000
7979	Cognigen Switching Technologies, Inc.	167,000
7980	Teledata Solutions, Inc.	65,000
7981	Leading Edge Broadband Services, LLC	1,200,000
7982	NextG Networks of California	193,000
7983	LCR Services, Inc.	5,500
7984	360Networks (USA 2) L.P.	130,000
7985	Buyers United, Inc.	255,000
7986	Inc21.com Corporation	4,620
7987	KMC Telecom XII, LLC	88,300
7988	Global Tel*Link Corporation	1,980,000
7989	Option One Telecom, Inc.	5,830
7990	CMTel (USA) LLC	3,993,000
7991	Telemex International	292,600

Tuesday, May 25, 2004

7992	Nobeltel, LLC	1,770,000
7993	Clearworld Communications Corporation	412,500
7994	Utility Telephone, Inc.	92,840
7995	IP Networks, Inc.	6,100,000
7996	RuralWest-Western Rural Broadband, Inc.	3,170,000
7997	Edison Carrier Solution	55,900,000

Seren Innovations, Inc. (7832)

Action: Upon motion of Ms. Migden, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property be \$134,600,000 as of January 1, 2004.

Wireless Telephone Companies

Action: Upon motion of Mr. Parrish, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

2512	Verizon Wireless (VAW) LLC	160,900,000
2513	Sacramento Valley Limited Partnership	192,200,000
2532	Los Angeles SMSA Ltd. Partnership	698,000,000
2552	Fresno MSA L.P.	66,300,000
2559	GTE Mobilnet of California, Ltd. Partnership	319,000,000
2602	Digital Communications Network, Inc.	294,000
2605	Nova Cellular West, Inc.	53,300
2616	MCI Wireless, Inc.	8,990,000
2627	GTE Mobilnet of Santa Barbara L.P.	40,200,000
2649	Action Cellular Rent-A-Phone, Inc.	271,000
2659	Cal-One Cellular, L.P.	8,250,000
2665	WWC License LLC	4,390,000
2667	Cellco Partnership	35,400,000
2668	California RSA No. 3 Limited Partnership	7,290,000
2669	California RSA #4 L.P.	14,200,000
2671	California Rural Service Area #1, Inc.	26,200,000
2672	El Dorado Cellular	3,260,000
2680	ComTelesis, LLC	661,100
2681	Everything Wireless, L.L.C.	344,000
2683	Pay-Less Cellular	1,750,000
2715	Worldwide Cellular, Inc.	15,000
2720	Sprint Telephony PCS, L.P.	608,700,000
2722	Sprint Spectrum L.P.	389,600,000
2733	MetroPCS California/Florida, Inc.	123,100,000
2737	Nextel of California, Inc.	460,400,000
2745	West Coast P.C.S.	54,500,000

Tuesday, May 25, 2004

2746	Alpine PCS, Inc.	13,400,000
2748	Pacific Bell Wireless, LLC	1,075,500,000
2751	Ubiquitel, Inc.	55,100,000
2753	Edge Wireless, LLC	14,800,000
2754	Metro One Telecommunications, Inc.	9,380,000
2755	Southwestern Bell Mobile Systems, LLC	95,500,000
2756	Cingular Wireless, LLC	17,000,000
2758	Image Paging & Cellular	112,000
2760	Fisher Wireless Services, Inc.	2,140,000
2761	OmniPoint Communications, Inc.	57,700,000
2764	NTCH-CA, Inc.	597,000
2765	Terabeam Corporation	542,000
2767	Virgin Mobile USA, LLC	7,260,000

Action: Upon motion of Mr. Parrish, seconded by Mr. Westly and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

2596	Mall Telecommunications	38,060
2606	AT&T Wireless Services of California, LLC	1,485,900,000
2658	Intouch America, Inc.	71,830
2687	SLO Cellular, Inc.	12,540,000
2744	Smartel Cellular Telecomm., Inc.	40,125
2750	National Telemanagement Corporation	54,120
2762	Cricket Communications, Inc.	23,540,000
2763	Irridigital, LLC	1,700
2766	ACCRA Wireless, Inc.	5,060

West Coast Digital, GSM, Inc. (2768)

Action: Mr. Parrish moved to abate the penalty in the assessment of unitary property. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Ms. Migden, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$404,800 as of January 1, 2004.

Zephyr Communications, LLC (2769).

Action: Mr. Parrish moved to abate the penalty in the assessment of unitary property. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Mr. Westly, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$94,380 as of January 1, 2004.

Tuesday, May 25, 2004

Local Exchange Companies

Speakers: Carl Forbis, SBC Communications

Action: Upon motion of Mr. Chiang, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2004 be as follows:

201	Verizon California Inc.	3,373,300,000
202	CenturyTel of Eastern Oregon, Inc.	118,000
205	Ponderosa Telephone Co.	28,400,000
209	Pinnacles Telephone Co.	1,360,000
210	Calaveras Telephone Company	8,000,000
228	Ducor Telephone Company	8,330,000
229	Evans Telephone Company	13,400,000
235	Foresthill Telephone Co.	4,280,000
239	Hornitos Telephone Company	917,000
240	Happy Valley Telephone Company	1,740,000
246	Kerman Telephone Co.	10,700,000
270	Citizens Telecommunications Company of The Golden State	9,620,000
286	Sierra Telephone Company, Inc.	46,000,000
294	SureWest Telephone	187,500,000
301	The Siskiyou Telephone Company	18,500,000
311	Citizens Telecommunications Company of Tuolumne	6,460,000
320	Verizon West Coast Inc.	13,900,000
327	Volcano Telephone Company	25,000,000
328	Cal-Ore Telephone Co.	8,310,000
330	Winterhaven Telephone Company	1,770,000

The Pacific Bell Telephone Company DBA SBC (279)

Action: Upon motion of Mr. Parrish, seconded by Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Mr. Westly voting yes, the Board ordered that the market value to be used in the assessment of unitary property be \$8,505,600,000 as of January 1, 2004.

Citizens Telecommunications Company of California (284)

Action: Mr. Parrish moved that the market value to be used in the assessment of unitary property be \$173,900,000. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Mr. Westly voting no.

Upon motion of Ms. Migden, seconded by Mr. Chiang and duly carried, Ms. Migden, Mr. Chiang and Mr. Westly voting yes, Mr. Parrish and Mr. Leonard voting no, the Board ordered that the market value to be used in the assessment of unitary property be \$182,700,000 as of January 1, 2004.

Tuesday, May 25, 2004

Ms. Mandel entered the Boardroom on behalf of Mr. Westly in accordance with Government Code section 7.9.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE CLAIM HEARING

Deantia Lavender, 239624
2002, \$300.00 Claim for Credit
For Claimant:

Deantea Lavender, Claimant
Shelia Newby
Carol Bradbury

For Franchise Tax Board:

Suzanne Small, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether respondent properly denied appellant's claim for property tax assistance.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board submitted the appeal for decision, directing the Franchise Tax Board to investigate whether or not the property was tax exempt during the year at issue.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS

Albert Buchner, 244294
2001, \$1,197.00 Assessment

For Appellant:

Albert Buchner, Taxpayer

For Franchise Tax Board:

Kathleen Cooke, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether appellant is entitled to use head of household filing status.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish and Mr. Leonard voting yes, Mr. Chiang and Ms. Mandel abstaining, the Board reversed the action of the Franchise Tax Board.

William R. Walsh, 217872
2001, \$1,092.17 Claim for Refund

For Claimant:

Alan S. Bernikoff, Accountant

For Franchise Tax Board:

Dennis Haase Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the Board has jurisdiction to determine if the taxes appellant owed for the 1987 and 1988 tax years were discharged in bankruptcy and therefore the claim for refund for the 2001 tax year should be allowed.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board submitted the appeal for decision.

Tuesday, May 25, 2004

SALES AND USE TAX APPEALS HEARINGS

Jerames Industries, Inc., 112004

10-1-96 to 9-30-99, \$29,993.23 Tax

For Petitioner:

Jesse McClellan, Representative

Joseph Micallef, Representative

For Sales and Use Tax Department:

Jeffrey Graybill, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether tax applies with respect to petitioner's sale of equipment to JMC and its lease of that equipment back.

Whether petitioner is entitled to a credit for any use tax reported by its out-of-state vendors.

Action: Upon motion of Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Espresso Roma Corporation, 144382

7-1-97 to 6-30-00, \$75,466.86 Tax

For Petitioner:

Sandy Boyd, Taxpayer

Basil J. Boutris, Attorney

For Sales and Use Tax Department:

Sandy McCaleb, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the use of the observation tests results in an excessive deficiency.

Action: Upon motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Migden not participating, the Board ordered that the protested measure of tax be reduced by 15 percent.

**FINAL ACTION ON CORPORATE FRANCHISE AND PERSONAL INCOME TAXES
HEARING HELD MAY 25, 2004**

William R. Walsh, 217872

Final Action: Upon motion of Ms. Mandel, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Wayne A. Cronos, 219478

1999, \$1,491.00 Tax, \$372.75 Late Filing Penalty

For Appellant:

No Appearance

For Franchise Tax Board:

Mark McEvilly Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, his agent or participants.

Issues: Whether appellant has shown that respondent incorrectly determined the amount of his income for 1999.

Tuesday, May 25, 2004

Whether appellant has shown "reasonable cause" for delinquent filing.

Whether a frivolous appeal penalty should be imposed against appellant.

Action: Upon motion of Mr. Chiang, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board and imposed a \$1,000.00 frivolous appeal penalty.

SALES AND USE TAX APPEALS HEARING

Nationwide Sheet Music Service, Inc., 217328

1-1-99 to 12-31-01, \$96,179.59 Tax, \$9,618.14 Negligence Penalty

For Petitioner: Waived Appearance

For Sales and Use Tax Department: Sandy McCaleb, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether the evidence shows that the audited taxable sales are excessive.

Whether the negligence penalty is applicable.

Action: Upon motion of Ms. Migden, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

FINAL ACTION ON SALES AND USE TAX APPEALS HEARING HELD MAY 25, 2004

Jerames Industries, Inc., 112004

Final Action: Upon motion of Mr. Chiang, seconded by Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board ordered that the petition be denied and redetermined as recommended by the Appeals Division.

PUBLIC HEARINGS

Proposed Adoption of Property Tax Rule 136, Limited Liability Companies as Qualifying Organizations for Welfare Exemptions

Kristine Cazadd, Assistant Chief Counsel, Property Taxes Division, Legal Department, made introductory remarks regarding the proposed Property Tax Rule 136, *Limited Liability Companies as Qualifying Organizations for Welfare Exemptions*, which clarifies that organizations eligible for the welfare exemption include limited liability companies wholly owned by qualified organizations (Exhibit 5.1).

Speakers: Thomas R. Parker, Deputy County Counsel, El Dorado County, representing California Assessors' Association

Action: Upon motion of Mr. Chiang, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted Property Tax Rule 136, *Limited Liability Companies as Qualifying Organizations for Welfare Exemptions*, with an amendment to the published text and referred the rule to the 15-day file.

Tuesday, May 25, 2004

Exhibits to these minutes are incorporated by reference.

Proposed Amendment of Sales and Use Tax Regulation 1584, Membership Fees

Janice Thurston, Assistant Chief Counsel, Business Taxes Division, Legal Department, made introductory remarks regarding Regulation 1584, *Membership Fees*, which is proposed to be amended to interpret, implement and make specific Revenue and Taxation Code section 6012. Amendments are proposed to (1) add new subdivision (a)(2) to explain that when persons other than retailers make sales of memberships and the retailer's sales meet specified criteria, the gross receipts from such membership sales should be included in the taxable measure of the retailer selling tangible personal property to members and not the person selling the membership; (2) renumber former subdivisions (a)(2) and (a)(3) accordingly; and make a minor correction in new subdivision (a)(3) (Exhibit 5.2).

Speakers: Speakers were invited to address the Board, but there were none.

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted amendments to Regulation 1584, *Membership Fees*, as published.

Proposed Amendments to the Rules of Practice

Jean Ograd, Assistant Chief Counsel, Settlement and Administration Division, Legal Department, made introductory remarks regarding the proposed amendments to the Rules of Practice. The Board proposes to amend Title 18, Regulations 5020, 5021, 5022, 5023, 5030, 5070, 5071, 5075, 5075.1, 5076, 5076.1, 5079, 5082.1, 5083, 5090, 5091, and 5093, and repeal Regulation 5087 of the Board's Rules of Practice. The Board's Rules of Practice are the hearing procedures applicable to the various tax and fee programs administered by the Board, including the procedures and standards for the Board's consideration of reimbursement claims under provisions of the Taxpayers' Bill of Rights (Exhibit 5.3).

Speakers: Speakers were invited to address the Board, but there were none.

Action: Upon motion of Ms. Migden, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted the amendments to Regulations 5020, 5021, 5022, 5023, 5030, 5070, 5071, 5075, 5075.1, 5076, 5076.1, 5079, 5082.1, 5083, 5090, 5091, and 5093, as published.

Timber Harvest Values

Mickie Stuckey, Chief, County Property Tax Division, Property and Special Taxes Department, made introductory remarks regarding the Timber Harvest Values. On or before June 30, 2004, the Board will estimate the immediate harvest value and adopt schedules for each species or sub-classification of timber harvested between July 1 and December 31, 2004 (Revenue and Taxation Code section 38204(a)) (Exhibit 5.4).

Tuesday, May 25, 2004

Speakers: Speakers were invited to address the Board but there were none.

Action: Upon motion of Mr. Leonard, seconded by Ms. Migden and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted Table 1, Miscellaneous Harvest Values, and Table S, Salvage Harvest Values, of the Timber Harvest Schedule.

The Board deferred consideration of Table G, Timber Harvest Values, to the next Culver City Board meeting.

LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matter: *Tah Lih Investment, Inc., 194099.*

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Tah Lih Investment, Inc., 194099

10-1-98 to 9-30-01, \$53,442.19 Tax, \$00.00 Negligence Penalty

Action: The Board deferred consideration of this matter.

Grace Holmes, Inc., 154362

1-1-97 to 12-31-99, \$65,232.94 Tax

Action: Redetermine as recommended by the Appeals Division.

Joe Hood, 196705

1-1-97 to 8-22-97, \$182,575.94 Tax, \$18,636.00 Failure to Timely Pay Penalty

Action: Redetermine as recommended by the Appeals Division.

George Jeffrey Yurtin, 141355

7-1-97 to 3-31-01, \$37,978.28 Tax, \$3,161.55 Failure to File Penalty, \$3,797.83 Failure to Timely Pay Penalty

Action: Redetermine as recommended by the Appeals Division.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Jane L. Andrews (Deceased), 224316

1990, \$34,172.25 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Tuesday, May 25, 2004

Ignatius Anyanwu, 213522

2000, \$870.00 Tax, \$217.50 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board.

Carolyn E. BudranMcDow, 244292

1999, \$811.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Peter Catherwood and Kathleen Guido, 218627

1998, \$1.00 or more Assessment

Action: Sustain the action of the Franchise Tax Board.

Yadira Chairez, 241039

2001, \$848.75 Assessment

Action: Sustain the action of the Franchise Tax Board.

Harold L. Davis (Deceased), 218705

1999, \$675.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Victor DiCosola, 203458

1998, \$2,587.00 Tax, \$517.40 Accuracy Related Penalty

Action: Modify the action of the Franchise Tax Board.

Jacqueline Girard, 202275

1980, \$5,327.06 Assessment

Action: Sustain the action of the Franchise Tax Board.

Willard and Margaret Hartzler, 220763

1999, \$948.00 Assessment

Action: Modify the action with concession by the Franchise Tax Board.

Stephen Haussmann, 202272

1999, \$1,287.00 Claim for Refund

Action: Modify the action with concession by the Franchise Tax Board.

Kenneth Hawkins, 240640

1999, \$1,405.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Health Food Depot, Inc., 215898

1999, \$331.02 Claim for Refund

2000, \$122.21 Claim for Refund

2001, \$56.04 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Tuesday, May 25, 2004

Parvin Heshmati, 212735

2000, \$4,169.20 Assessment

Action: Sustain the action of the Franchise Tax Board.

William Howell, 239923

1998, \$30,125.49 Claim for Refund

1999, \$12,206.99 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Anne La Forge, 240907

2002, \$100.80 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Audra and Vicky Lyon, 224006

1999, \$298.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Leonard J. Medeiros, 224042

1999, \$12,485.75 Claim for Refund

Action: Modify the action of the Franchise Tax Board.

Raymond Neill, 223840

1997, \$142,824.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Michael E. Nestor, 218586

1999, \$720.00 Tax, \$144.00 Accuracy Related Penalty

Action: Modify the action of the Franchise Tax Board.

Kimberly E. and Michael S. Parker, 243691

2000, \$136.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

William L. and Barbara B. Porter, 237222

1994, \$54,931.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Glenn D. Rice, 221272

1997, \$4,960.08 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Tracy H. and Carol L. Sandberg, 220121

1998, \$3,244.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Tuesday, May 25, 2004

Melvin Ralph Sherman, 221836

1999, \$268.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Michael A. Silva, 217867

1999, \$878.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Simas and Bettencourt Farms, Inc., 220099

7-31-01, \$1,444.60 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Marion E. Sims, 237218

1999, \$322.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Lloyd and Joan Takasugi, 239341

1998, \$1,354.01 Assessment

Action: Sustain the action of the Franchise Tax Board.

Christie L. Ver Brugge, 234013

1999, \$375.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Kenneth A. and Lisa Ann Vice, 224403

1999, \$582.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Gwendolyn and Sam Wade, 237223

1999, \$732.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Patience Wickliffe, 224431

2001, \$555.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

James A. Wood, 239488

2002, \$1.00 or more Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Zatman Marketing, Inc., 219856

1995, \$1,718.86 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Matthew Joseph Peddecord, 202128

1999, \$1.00 or more Assessment

Action: Deny the petition for rehearing.

Tuesday, May 25, 2004

E. Sylvia Simpson, 206174

1998, \$565.00 Assessment

Action: Deny the petition for rehearing.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Parrish and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Joe Alvarez, 241716

2003, \$308.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Severino Apsay, 239164

2003, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Alejandra Arenas, 241608

2003, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Geraldine Aucoin, 221863

2002, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Ginesa Basina, 241614

2003, \$265.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Fernando Benito, 241616

2003, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

R. A. Benson, 239661

2003, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Carolyn A. Caton, 243632

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Cynthia A. Forcier, 221663

2002, \$468.70 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Tuesday, May 25, 2004

Julia Miller Garrison, 218333

2002, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Kelly M. Hill, II, 219579

2002, \$347.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Bob Langley, 244160

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Dolores L. Lawson, 241624

2003, \$347.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Lang V. Le, 241627

2003, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Luis A. Mendoza, 240646

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Nina Niles, 241329

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Carmen Z. Ortiz, 244330

2003, \$350.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Thong Quang Pham, 240557

2003, \$347.50 Claim for Credit

Action: Reverse the action of the Franchise Tax Board.

Anita Pike, 239353

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Fernando Robinson, 239376

2003, \$347.50 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Cleveland Thompson, 242254

2002, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Tuesday, May 25, 2004

SALES AND USE TAX MATTERS, REDETERMINATIONS AND DENIALS OF CLAIMS FOR REFUND, CONSENT

With respect to the Sales and Use Tax Matters, Redeterminations and Denials of Claims for Refund, Consent Agenda, upon a single motion of Mr. Parrish, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, Ms. Mandel not participating in *Honeywell International, Inc.*, 236838, the Board made the following orders:

OPI Products, Inc., 208945

7-1-98 to 6-30-01, \$100,678.61

Action: Approve the redetermination as recommended by staff.

W. Miller Company, Inc., 102209

4-1-96 to 3-31-99, \$83,335.82

Action: Approve the redetermination as recommended by staff.

R.F. Mac Donald Company, 236139

10-1-99 to 6-30-03, \$53,596.00

Action: Approve the redetermination as recommended by staff.

All American Semi-Conductor No. California, Inc., 225008

1-1-98 to 12-31-00, \$203,861.73

Action: Approve the redetermination as recommended by staff.

Honeywell International, Inc., 236838

4-1-93 to 12-31-96, \$1,340,321.53

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating.

AFA Diversified Corporation, 215651

7-1-99 to 12-31-02, \$271,776.17

Action: Approve the redetermination as recommended by staff.

Data Technology, Inc., 218841

1-1-95 to 11-13-01, \$82,083.54

Action: Approve the redetermination as recommended by staff.

John Wiley & Sons, Inc., 240554

4-1-98 to 6-30-01, \$57,459.40

Action: Approve the redetermination as recommended by staff.

Fleming Companies, Inc., 242263

7-1-99 to 3-31-03, \$79,037.54

Action: Approve the redetermination as recommended by staff.

Tuesday, May 25, 2004

California Petroleum Exchange, Inc., 208947

10-1-96 to 9-30-99, \$71,221.53

Action: Approve the redetermination as recommended by staff.

First Data Merchant Services Corporation, 221739

4-1-97 to 9-30-00, \$152,306.89

Action: Approve the redetermination as recommended by staff.

Humboldt Wedag, Inc., 222078

4-1-00 to 12-31-02, \$932,814.15

Action: Approve the denial of claim for refund as recommended by staff.

Motel 6 Operating LP, 236967

4-1-00 to 12-31-02, \$600,000.00

Action: Approve the denial of claim for refund as recommended by staff.

Universal Coml Credit Leasing II, Inc., 134456, 235505

4-1-98 to 12-31-99, \$97,000.00

Action: Approve the denial of claim for refund as recommended by staff.

Universal Coml Credit Leasing III, Inc., 134455, 236968

5-1-98 to 12-31-99, \$157,000.00

Action: Approve the denial of claim for refund as recommended by staff.

Valor Computerized Systems, Inc., 217746

1-1-01 to 3-31-01, \$50,375.00

Action: Approve the denial of claim for refund as recommended by staff.

Huong Thien Nguyen, 215121

1-1-00 to 6-30-02, \$64,479.00

Action: Approve the denial of claim for refund as recommended by staff.

**SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,
CONSENT**

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Loehmann's, Inc, 255796

10-1-95 to 5-17-99, \$636,098.06

Action: Approve the credit and cancellation as recommended by staff.

Tuesday, May 25, 2004

AFA Diversified Corporation, 259286

10-1-98 to 6-30-99, \$103,374.08

Action: Approve the credit and cancellation as recommended by staff.

Digital Interiors, Inc., 222194

4-1-98 to 3-31-01, \$476,221.99

Action: Approve the credit and cancellation as recommended by staff.

Morgan Marshall Industries, Inc., 258337

1-1-00 to 2-10-03, \$153,636.06

Action: Approve the credit and cancellation as recommended by staff.

Mid Coast Suppliers, 255370

7-1-00 to 9-30-03, \$133,488.95

Action: Approve the refund as recommended by staff.

Crossfield Products Corporation, 241100

4-1-02 to 6-30-02, \$55,267.48

Action: Approve the refund as recommended by staff.

Harcourt, Inc., 253702

7-1-99 to 6-30-02, \$131,824.95

Action: Approve the refund as recommended by staff.

S.G. Herrick Corporation, 255782

1-1-00 to 12-31-02, \$51,335.92

Action: Approve the refund as recommended by staff.

Riverside Community Hospital, 257886

7-1-00 to 6-30-03, \$90,499.63

Action: Approve the refund as recommended by staff.

Michael E. Pulitzer, 242279

6-30-03, \$52,084.40

Action: Approve the refund as recommended by staff.

BOS Partners, 215125

1-1-00 to 12-31-02, \$249,075.31

Action: Approve the refund as recommended by staff.

HttpPrint, Com, Inc., 155660

7-1-99 to 9-30-02, \$371,927.38

Action: Approve the refund as recommended by staff.

Tuesday, May 25, 2004

OMM, Inc., 206421

1-1-00 to 3-20-03, \$596,126.64

Action: Approve the refund as recommended by staff.

Airport Group International, Inc., 252414

4-1-03 to 6-30-03, \$94,550.40

Action: Approve the refund as recommended by staff.

BP Products North America, Inc., 236972

10-1-02 to 12-31-02, \$98,580.46

Action: Approve the refund as recommended by staff.

The Dupuis Group, LLC, 258584

4-2-96 to 3-31-99, \$102,332.76

Action: Approve the refund as recommended by staff.

MRT Technology, LLC, 193083

7-1-00 to 3-31-02, \$846,773.47

Action: Approve the refund as recommended by staff.

**SPECIAL TAXES MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,
CONSENT**

With respect to the Special Taxes Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Ultramar, Inc., 252984

1-1-02 to 12-31-02, \$83,804.41

Action: Approve the credit and cancellation as recommended by staff.

Tesoro Refining and Marketing Company, 252987

1-1-02 to 12-31-02, \$77,374.41

Action: Approve the credit and cancellation as recommended by staff.

Strategic Energy LLC, 236308

1-1-03 to 3-31-03, \$95,059.65

Action: Approve the refund as recommended by staff.

LEGAL APPEALS MATTERS, ADJUDICATORY

Office Furniture L.A., Inc., 140910

1-1-98 to 6-30-00, \$00.00 Tax, \$17,566.59 Fraud Penalty

Considered by the Board: February 18, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Tuesday, May 25, 2004

Action: Mr. Parrish moved to rescind the Board's action of March 23, 2004, which denied the petition for rehearing. The motion was seconded by Mr. Leonard but failed to carry, Mr. Parrish and Mr. Leonard voting yes, Ms. Migden, Mr. Chiang and Ms. Mandel voting no.

**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS,
ADJUDICATORY**

Alejandra Araujo, 222707

2001, \$1,167.30 Assessment

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision reversing the action of the Franchise Tax Board.

Michiko Bristle, 224306

1997, \$265.00 Claim for Refund

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, his agent or participants.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision reversing the action of the Franchise Tax Board.

Cheryl L. Johnson, 215645

1998, \$141.00 Claim for Refund

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: The Board took no action.

Margaret A. Scott, 216141

1993, \$645.42 Assessment

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision modifying the action of the Franchise Tax Board.

Peter and Natasha Skillsky, 193977

1992, \$1,341.89 Claim for Refund

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed.

Action: The Board took no action.

Tuesday, May 25, 2004

Jess A. Sloan, 214766

1998, \$501.00 Assessment

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision sustaining the action of the Franchise Tax Board.

Meagan A. Stott, 217212

1998, \$257.99 Claim for Refund

1999, \$1,064.30 Claim for Refund

2000, \$640.26 Claim for Refund

2001, \$131.23 Claim for Refund

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision modifying the action of the Franchise Tax Board.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, ADJUDICATORY

Debi Hill, 219526

2002, \$347.50 Claim for Credit

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision reversing the action of the Franchise Tax Board.

Rahim Keshmiri, 212631

2002, \$1.00 or more Claim for Credit

Considered by the Board: March 23, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board adopted a decision sustaining the action of the Franchise Tax Board.

SALES AND USE TAX MATTERS, REDETERMINATIONS, ADJUDICATORY

Nations Healthcare of California, Inc., 155919

7-1-97 to 10-31-00, \$1,219,259.56

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed.

Action: The Board took no action.

Tuesday, May 25, 2004

Crescent Healthcare, Inc., 162548

3-1-97 to 12-31-99, \$138,145.45

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the redetermination as recommended by staff.

Cardenas & Cox, Inc., 143923

7-1-97 to 6-30-00, \$95,892.74

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the redetermination as recommended by staff.

SALES AND USE TAX MATTERS, REFUNDS, ADJUDICATORY

Ascent Media Group, Inc., 253113

1-1-99 to 6-30-02, \$131,350.96

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Global Crossing Telecom, Inc., 245528

1-1-01 to 12-31-01, \$211,980.79

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Marine World Joint Power Authority, 246270

10-1-99 to 3-31-03, \$115,488.94

Considered by the Board: January 27, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Driscoll Strawberry Assoc., Inc., 145377

7-1-98 to 9-30-01, \$117,121.08

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Tuesday, May 25, 2004

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

SBC Advanced Solutions, Inc., 203005

10-1-00 to 6-30-01, \$5,510,965.00

Considered by the Board: February 18, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

David John Gamble, 208012

1-1-00 to 6-30-02, \$130,647.30

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Mission Financial Services Corporation, 218169

7-1-00 to 12-31-02, \$112,639.62

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

A-L Financial Corporation, 241651

1-1-01 to 12-31-02, \$340,887.33

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Migden, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

PROPERTY TAX MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

With respect to the Property Taxes Matters Not Subject to Contributions Disclosure Statute Agenda, upon a single motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard and Mr. Chiang voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board made the following orders:

Tuesday, May 25, 2004

Unitary Escaped Assessments**DSI/Inn-Tel, Inc. (7713)**

2003, \$30,000.00 Escaped Assessment, \$7,500.00 Penalty, \$1,350.00 In-Lieu Interest

Action: Adopt unitary escaped assessment, plus penalties and assessment in lieu of interest, as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Audits**Evans Telephone Company (229)**

2001, \$690,000.00 Escaped Assessment, \$69,000.00 Penalty, \$165,600.00 In-Lieu Interest

2002, \$800,000.00 Escaped Assessment, \$80,000.00 Penalty, \$120,000.00 In-Lieu Interest

Action: Adopt the audit escaped assessments, plus penalties and assessment in lieu of interest, as recommended by staff.

SureWest Telephone (294)

2000, \$6,100,000.00 Escaped Assessment, \$610,000.00 Penalty, \$2,013,000.00 In-Lieu Interest

2001, \$7,000,000.00 Escaped Assessment

2002, \$16,100,000.00 Escaped Assessment, \$1,610,000.00 Penalty, \$2,415,000.00 In-Lieu Interest

2003, \$15,600,000.00 Escaped Assessment, \$1,560,000.00 Penalty, \$936,000.00 In-Lieu Interest

Action: Adopt the audit escaped assessments, plus penalties and assessment in lieu of interest, as recommended by staff.

West Coast P.C.S. (2745)

2000, \$500,000.00 Excessive Assessment

2001, \$800,000.00 Excessive Assessment

2002, \$3,100,000.00 Escaped Assessment, \$46,667.00 Penalty, \$69,971.00 In-Lieu Interest

2003, \$400,000.00 Escaped Assessment, \$40,000.00 Penalty, \$24,000.00 In-Lieu Interest

Action: Adopt the audit escaped assessments, plus penalties and assessment in lieu of interest, as recommended by staff.

New Edge Networks, Inc. (7800)

2001, \$1,300,000.00 Escaped Assessment, \$130,000.00 Penalty, \$312,000.00 In-Lieu Interest

2002, \$1,500,000.00 Escaped Assessment, \$150,000.00 Penalty, \$225,000.00 In-Lieu Interest

2003, \$640,000.00 Escaped Assessment, \$64,000.00 Penalty, \$38,400.00 In-Lieu Interest

Action: Adopt the audit escaped assessments, plus penalties and assessment in lieu of interest, as recommended by staff.

Private Railroad Car Tax Refunds Request**North Star Steel Company (6196)**

2003, \$432.43

Action: Grant the private railroad car tax refunds as recommended by staff.

Tuesday, May 25, 2004

Perdue Transportation, Inc. (6204)

2003, \$3,043.25

Action: Grant the private railroad car tax refunds as recommended by staff.

ADMINISTRATIVE SESSION

ADMINISTRATIVE MATTERS, CONSENT

The Board removed the following matters for separate discussion: *February 28 and April 13, 2004 Board Meeting Minutes.*

The Board deferred consideration of the following matter: *Proposed Revisions to Audit Manual Chapter 10, Occasional Sales–Sale of a Business.*

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Action: Adopt the following resolutions extending its best wishes on their respective retirements and its appreciation for their service to the State Board of Equalization and the State of California (Exhibit 5.5).

Max Clark, Supervising Tax Auditor I, Santa Ana District Office
Helen Conover, Supervising Tax Auditor I, Santa Ana District Office
Nathan Green, Tax Auditor, Riverside District Office
Roy W. McClain, Associate Tax Auditor, West Covina District Office
Gloria Robinson, Account Clerk II, Accounting Section, Headquarters
Dorren F. Unger, Associate Programmer Analyst, Technology Services Division, Headquarters
Michael L. Webber, Business Taxes Administrator III, Ventura District Office

Action: Approve the Board Meeting Minutes of March 9-10 and March 23, 2004.

Action: Approve extensions of time to complete and submit 2004-05 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to Mariposa, Mendocino, Placer, San Diego, San Luis Obispo, Tehama and Trinity Counties (Exhibit 5.6).

Action: Approve 2004-05 Tobacco Products Tax Rate (Exhibit 5.7).

Action: Approve 2003-04 Superior Accomplishment Award Nominees (Exhibit 5.8).

Action: Adopt 4-R Act Equalization Ratio for 2004-05 (Exhibit 5.9).

Tuesday, May 25, 2004

Action: Adopt Proposed Revisions to Audit Manual Chapter 8, Bars and Restaurants (Exhibit 5.10).

Action: Adopt Proposed Revisions to Audit Manual Chapter 13, Statistical Sampling (Exhibit 5.11).

Action: Adopt Proposed Revision to Compliance Policy and Procedures Manual Chapter 1, General (Exhibit 5.12).

Action: Adopt Proposed Revision to Compliance Policy and Procedures Manual Chapter 2, Registration (Exhibit 5.13).

Action: Adopt Proposed Revisions to Compliance Policy and Procedures Manual Chapter 4, Security (Exhibit 5.14).

Action: Adopt Proposed Revisions to Compliance Policy and Procedures Manual Chapter 5, Returns (Exhibit 5.15).

Action: Adopt Proposed Revisions to Compliance Policy and Procedures Manual Chapter 7, Collections (Exhibit 5.16).

With respect to the Administrative Matters, Board Meeting Minutes of February 18, and April 13, 2004, upon a single motion of Mr. Parrish, seconded by Mr. Chiang and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board made the following orders:

Action: Approve the Board Meeting Minutes of February 18 and April 13, 2004.

BOARD COMMITTEE REPORTS

Property Tax Committee

Upon motion of Ms. Migden, seconded by Ms. Mandel and unanimously carried, Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel voting yes, the Board approved the Property Tax Committee report (Exhibit 5.17).

APPROVAL OF CONTRACT OVER \$1 MILLION

Ramon Hirsig, Executive Director, reported that the item before the Board is a proposed contract that requires Board Member approval prior to being established (Exhibit 5.18).

The Board deferred consideration of this matter to later in the day.

Tuesday, May 25, 2004

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 11:35 a.m. and reconvened immediately in closed session with Ms. Migden, Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss pending litigation (Govt. Code § 11126(e)), settlements (Revenue and Taxation Code § 6901, 7093.5, 30459.1 and 50156.11) and personnel matters (Govt. Code § 11126(a)).

The Board recessed at 12:05 p.m. and reconvened immediately in open session with Mr. Parrish, Mr. Leonard, Mr. Chiang and Ms. Mandel present.

ADMINISTRATIVE SESSION**APPROVAL OF CONTRACT OVER \$1 MILLION**

Upon motion of Mr. Chiang, seconded by Ms. Mandel and duly carried, Mr. Parrish, Mr. Chiang and Ms. Mandel voting yes, Mr. Leonard voting no, Ms. Migden absent, the Board approved the contract for the Department of Toxic Substances Control for six months only.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Mr. Hirsig announced the appointments of Stanley Siu to the position of Chief, Valuation Division, Property and Special Taxes Department, and Jeff McGuire to the position of Tax Policy Manager, Sales and Use Tax Department.

The Board adjourned at 12:10 p.m.

The foregoing minutes are adopted by the Board on August 24, 2004.

Note: The following cases were removed from the calendar prior to the meeting: *Raffi Ohanes Sepetjian, 195054; Warnaco, Inc., 145698; Outlet Stores, Inc., 146407; and, Giroux Ltd., 16494.*